

LA Fashion District Business Improvement District

2005 Activity Reports

First Quarter

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DISTRICT GOALS FOR 2005

Developed by the Fashion District Board of Directors, the Fashion District Business Improvement District 2005 Work Plan proposes to continue improving and delivering special benefits to properties located within the Fashion District. The Business Improvement District will provide new and continued improvements and activities, including maintenance, security, image/communication and special programs above and beyond those currently provided by the City. This approach has been successfully working in the Fashion District since 1996. It has enabled the District to create a positive image, attract new customers, increase sales, occupancies and property values.

2005 OPERATING BUDGET SUMMARY

The total improvement and activity plan budget for 2005 is projected at \$3,400,301 made up of the following components:

PUBLIC SPACE MANAGEMENT ACTIVITY **\$2,274,800** **67% of the budget**

Public Space Safety Programs comprised of the Fashion District Patrol will continue to deal with crime prevention and inappropriate conduct in the district, 24 hours a day, seven days a week.

Public Space Maintenance Programs will continue to increase effectiveness of graffiti removal, sidewalk and alley cleaning, trash removal, tree trimming, weeding, wayfinding signage maintenance, and poster removal.

ADMINISTRATION, COMMUNICATION,

SPECIAL PROJECTS ACTIVITY **\$670,600** **20 % of the budget**

Image and Communication programs will continue to create a positive image for the district based upon the positive changes that are taking place. Programs designed to attract new investors and customers to the district as well as attract City investment to the district. Market research will be an important activity in 2005 in order to expand business, employment, and economic development efforts.

Special Project programs will focus on specific issues important to the district such as: day laborers, public restrooms, surveillance cameras, parking improvement, uniform signage streetscape improvements and in the fourth and fifth years of the District bid renewal expense.

Administration/Advocacy The Fashion District improvements and activities are managed by a professional staff that requires centralized administrative support. Fashion District services are delivered 24 hours a day, seven days a week and require management staff 24 hours a day, seven days a week. Advocacy is an important part of the administration function, providing additional City investment and services.

OTHER ACTIVITY **\$244,353** **7% of the budget**

BID Expense

In order to fund the expenses charged by the City and County for collection and distribution of BID revenue a BID expense budget has been established.

Reserve for Delinquent and/or Slow Payment

A change in the State Constitution now mandates City, County, State and Federal property must pay into assessment districts. Their assessments have been included in the total budget income for the District. However, because of the difficulty in obtaining timely payment from government entities a reserve has been established to offset delinquent and/or slow payment.

Depreciation

A reserve has been established to fund capital equipment depreciation.

SANTEE ALLEY SOUTH OVERLAY **\$210,548** **6% of the budget**

II FIRST QUARTER ACTIVITIES

2005 Operating Budget Summary

The first quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2005 is projected at \$3.4 million.

FINANCIALS

2004 Annual Audit & Financial Statement Review

Stanislowski & Harrison Auditors conducted the annual audit and reported a very clean audit. A summary financial statement will be communicated to property owners in the 2004 Annual Report and at the Annual Property Owner meeting. **Attachment 2** is a copy of the Annual report.

Auditors expanded their review to include internal controls, fraud prevention and information system evaluation. The LA Fashion District BID also received a clean evaluation in these categories.

The Board of Directors approved the 2004 Audit and Financial Statements at their meeting on February 25, 2005. A copy of the audit was forwarded to the Office of the City Clerk.

Allocation of Undesignated Surplus

On February 25, 2005, The Board of Directors approved a recommendation by the Finance Committee to allocate 30% of the undesignated surplus toward the next BID renewal, and 70% to a reserve account to moderate any potential increase of assessment rates in 2006 for properties.

Workers Compensation Claim

In January 2005, the workers compensation claim filed in 1997 by a former employee was settled for \$1,500 plus the costs of our attorney.

Proposed 2005 Second Quarter Finance Activities

- Prepare and submit 2005 – 2006 Assessment Data to the Office of the City Clerk.

PUBLIC SPACE MANAGEMENT ACTIVITIES

Annual Budget	\$2,274,800	67% of the budget
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PUBLIC SPACE SAFETY PROGRAMS

First Quarter Contact Summary

The complete first quarter operations activity summary is enclosed as **Attachment 3**.

First Quarter Comparison Nuisance Behavior and Homeless Assistance Contacts

Statistical records for the first quarter show that illegal vending, encampments, and drinking in public are the major nuisance categories in the LA Fashion District. Social Service Referrals were also very high in response to the tremendous numbers of encampments in the district. New problem patterns continue

to surface with drug activity and scavenging showing dramatic increases. These nuisance behavior contacts will be tracked carefully over the course of the year and Safe Team deployments adjusted to address problem areas.

Fashion District Crime Rates

At the January 18, 2005 Operations Committee meeting, Captain Blake Chow reported that overall crime is down significantly in both Central Division and the LA Fashion District.

The following statistics are for the 2004 year:

LA Fashion District (A85)	Central Division City of LA	
2004 Violent Crime	-20%	-14%
2004 Property Crime	-10%	-10%
2004 Overall Crime	-19.3%	-13%

Captain Chow also reported that Central Division made 14,500 arrests in 2004 and reduced response time to average 5.5 minutes compared to a 6.5 minute response time for the City of Los Angeles. This compares to an average 9.6 minute response time in Los Angeles in 2002.

We believe the presence of the BID Safe Team in the LA Fashion District is one of the factors that have contributed to the reduction of crime in the district.

Safe Team Helps Solve Burglaries

During January 2005 the BID experienced a number of night-time forced entry burglaries in the south part of the LA Fashion District. We worked with LAPD on a strategy to deter these break-ins. On the evening of January 18, 2005, our Safe Team officer spotted a burglary in progress at 1400 Main Street. A swift response by a number of LAPD officers and helicopter resulted in the arrest of the suspect. It is believed the suspect is responsible for a number of burglaries in the LA Fashion District and downtown.

During March the Safe Team partnered with the LAPD to arrest a roof top burglar, an auto burglar who is suspected of involvement in a number of auto break-ins, and two suspects (illegal DVD vendors) who have been involved in assaults of BID officers, off-duty police officers and LAPD officers. They were charged with several felonies.

Surveillance Camera Pilot Project Helping LAPD and BID to Fight Crime

One of the primary start-up efforts of 2004 is seeing results in 2005. The BID worked with LAPD and the Motion Picture Association of America (MPAA) to explore the installation of two demonstration cameras in the district to deter vending and other crime. The cameras were installed at two locations in the district and monitored by LAPD officers at Central Division. The digital cameras were supplied and paid for by Hamilton Pacific for demonstration purposes. LAPD made a proposal to MPAA to fund the installation of 10 cameras in the LA Fashion District at a cost of approximately \$160,000.

The cameras are similar to the seven cameras used in McArthur Park by LAPD's Rampart Division. We attended a demonstration on October 28, 2004 and were very impressed with their potential use in the LA Fashion District. The results in McArthur Park have been remarkable. According to LAPD, there have been 140 arrests made since the cameras were installed in the first 6 months of 2004. There has been a 98% filing rate with the City and District Attorneys. Several jury trials have been won because the evidence was so convincing.

In March, BID staff witnessed first hand the arrest of an illegal vendor using the two new surveillance cameras recently installed in the LA Fashion District. The illegal vendor was monitored from LAPD Central and squad cars were dispatched to arrest the suspect.

The BID is pleased to report that MPAA fully funded the additional 10 cameras in late March.

Illegal Vending

The City's Street Services Division and Investigative Consultants (private investigators) have been regularly working in the LA Fashion District to deter illegal vendors and to find counterfeit merchandise being sold by district merchants. LAPD Central also joined in on March 10, 2005 and confiscated many counterfeit CDs, DVDs, purses and watches. Most of it came from merchants.

LAPD Newton Division conducted their first illegal vending operation on March 10, 2005 with County Health. The LA Fashion District Clean and Safe Teams assisted in both enforcement efforts.

On January, 2005 our Safe Team located a van supplying counterfeit DVDs/CDs in the LA Fashion District. LAPD was able to recover over 2,700 DVDs/CDs and arrest one individual on a felony counterfeiting charge. Another arrest on December 16, 2004 by LAPD in at the same location netted a similar number of DVDs/CDs.

Off-Duty Police Officers Patrolling Santee Alley

The North Santee Alley continues to hire off duty police officers in plain clothes to patrol the area in and around the North Alley (between Olympic & 11th Streets). During January the officers were working 6 hours a day, seven days a week. The BID will contribute approximately \$75,000 in 2005 which is funded by the special overlay assessment in the North Alley. The North Alley is relying on voluntary assessments to cover the balance of the costs.

Homeless Issues

During January we assisted LA Homeless Services Authority (LAHSA) with a census enumeration of homeless individuals throughout LA County which will be conducted later this month. The results of the homeless counts will help to improve and better target homeless services and funding.

LAPD Training Video

During March LAPD is completing a training video on BIDs which will be used to orient all LAPD officers on BID activities and programs. It will help foster a better BID/LAPD relationship.

Safe Team Training and Deployment

All Safe Team officers have received their training in batons and pepper spray use, first aid and CPR. We have recently promoted four new sergeants and one training officer. All of these officers were required to take written and oral exams. LAPD SLO Julie Nony sat on the interview panel. Two of the new sergeants are featured on the cover of our recent newsletter.

In March, the Safe Team is moving from a four day, ten hour work schedule to a 5 day, eight hour work schedule to provide better district coverage.

BID Supports LAPD Central Boosters

BID Board Members and staff attended the LAPD Central Police Boosters luncheon in March. Carol Schatz gave the keynote address which focused on the LAPD/BID partnership as the foundation for the revitalization of downtown Los Angeles. LAPD Chief Bill Bratton also commended the BIDs for their help in making LAPD a more effective police force.

Proposed 2005 Second Quarter Public Safety Activities

- Continue to help implement the Camera Surveillance Program.
- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti Removal

2005 first quarter graffiti removal records show a 50% decrease over 2004 first quarter records.

<u>Graffiti Removal Comparison</u>	<u>2004</u>	<u>2005</u>
January	1051	557
February	660	489
March	1013	354
Totals	2724	1400

Trash Tonnage

2005 trash tonnage totals show a 15% increase over 2004 records.

<u>Trash Tonnage Comparison</u>	<u>2004</u>	<u>2005</u>
January	204	255
February	208	236
March	233	252
Totals	645	743

Rainstorms

Record breaking rainstorms continue to flood downtown streets making driving and walking hazardous. The BID worked with the City to keep district storm drains as clear of debris as possible to protect properties from flooding and to maintain streets for traffic.

Extra measures were implemented by the BID to ensure public safety and property protection. The BID redeployed daytime Clean Team members to augment overnight crews to drain streets and clean storm drains.

The BID also purchased asphalt to temporarily patch some potholes until the city deals with the large backlog of requests as a result of the storm damages.

The rainstorms could be a factor in the decrease in graffiti tags that were painted out in the first quarter of 2005 compared to the numbers removed in 2004.

“Scratch Hog – Acid Etching Removal

The BID purchased a “Scratch Hog” to remove acid etching and scratching from store windows. Clean Team members were trained during December 2004 and early January 2005. First efforts produced mixed results. The BID is reviewing the training program and staffing to improve service delivery.

Additional Automated Sidewalk Equipment Purchased

During February, two refurbished 8210 machines commenced sidewalk scrubbing. The additional machines are already fulfilling the goal of improved service for the 90-block district. All equipment operators received a training refresher course.

Proposed 2005 Second Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.
- Deploy new sidewalk cleaning equipment.
- Implement revised program for Scratch Hog acid etching and glass scratching removal equipment.

ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY

Annual Budget	\$670,600	20% of Budget
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ADMINISTRATION

Executive Committee Elected

At the January meeting, four members of the Board of Directors were elected to serve as the 2005 Executive Committee.

- Steve Hirsh, Chair
- Ethan Eller, Vice Chair
- Laura Aflalo, Treasurer
- John van den Akker, Secretary

ADVOCACY

New BID Ordinance Update

As discussed in previous reports, the City is proposing to replace the State BID Law for BIDs with a City ordinance that will govern all BIDs in Los Angeles. The new BID ordinance has a number of significant changes.

1. no longer allows BIDs to overlap boundaries;
2. reduces petition threshold to allow a Proposition 218 vote from 50% to 30%; and
3. allows BIDs to be established or renewed for up to 15 years.

The BID believes the changes are positive, will make the BID renewal process more transparent, and easier for owners to have input.

While the changes in the petition threshold make it easier to get to a Proposition 218 vote, a majority of owners weighted by assessment would have to approve the renewal of the BID. Government parcels (about 10% of our assessment) continue to be treated the same as private parcels.

The 15 year renewal maximum gives the owners the flexibility to renew the BID for a longer period. This would allow BIDs to do infrastructure projects like sidewalk replacement where 15 years bonds could finance the project.

The BID is most in favor of the prohibition of prospective BIDs proposing overlapping boundaries with existing BID boundaries. This eliminates a significant concern that impacted the renewal of the LA Fashion District in 2003.

New City BID Contract Update

During February, new City BID contracts were circulated to BIDs who renewed or were established in 2005. Several of the larger LA BIDs met with the City Clerk on March 3, 2005 to discuss the final version of the City Contract. The new draft contract addresses the concerns the Board raised in 2004.

The draft contract allows the Board the flexibility of spending all funds earned by the BID including interest, past due assessments and rollover funds. The clause allowing the City to immediately terminate the contract without notice has been modified to require written notice.

The draft contract contains a new clause (2.10): "The corporation shall not employ or subcontract with any consultant who assisted in the formation or renewal of the BID.... The preceding sentence shall not apply to a consultant who works for free... or was hired to form the BID with non-City funds."

We are urging the City to replace the LA Fashion District's current contract (likely in the form of an amendment) with the terms of the new contract.

Illegal Vending

The LA BID Consortium Ad Hoc Vending Committee, chaired by Kent Smith, met in January 2005 to find ways to make enforcement more effective to deter illegal vending in Los Angeles. The meeting included representatives from LA BIDs, the Mayor's Office, Bureau of Street Services (Enforcement & Investigative Services), Building & Safety, and LAPD(SLO Julie Nony).

The group is working on a number of initiatives to help make vending enforcement more effective.

At a follow up meeting on February 15, 2005, Gary Harris announced that the Investigative and Enforcement Division of the Bureau of Street Services now has the authority to enforce any City ordinance or any State law. (Effective February 8, 2005) This means that inspectors can cite illegal vendors on private property as well as public property.

The Vending Task Force met in March. This group consists of representatives from the Mayor's office, Council District 9, Council District 14, Neighborhood Prosecutor Program, Bureau of Street Services, and the LA Fashion District BID.

The Bureau of Street Services presented new procedures for enforcement of anti counterfeit and contraband codes. First occurrence is notification of non compliance; second occurrence is referred to an administrative hearing; third occurrence justifies citation and arrest. The BID was disappointed at the new procedures that essentially protect illegal vendors with multiple warnings and encourages the expansion of this informal economy. The new procedures in turn penalize the tax-paying merchant who displays merchandise on the sidewalks in front of their store. It is difficult to convince these merchants to stop displaying on sidewalks and stop subleasing space when they are trying to compete with roving illegal vendors. The BID Board of Directors discussed the issue at the March meeting. Kent Smith will take the issue to the BID Consortium for support.

Allowing BIDs to Hire Off-Duty Police Officers in Uniform

This January the BID continued to work to convince the Police Commission and LAPD to allow BIDs to hire off duty LAPD officers in uniform.

The BID is also working with our IDA (International Downtown Association) colleagues from across the county, we have determined St. Louis, Portland, Atlanta, Dallas, Spokane, New York and a host of smaller cities allow BIDs to hire off duty police officers in uniform. The Grand Central Partnership in Manhattan started a program in August, and have been successful in reducing vending problems by more than 85%. However, they did admit that the vendors moved to the boundaries of their district where no special vending enforcement takes place.

The BID believes that the use of off duty police officers in uniform would be an excellent supplement to the surveillance cameras that will be installed in the LA Fashion District.

City Trash Disposal Assistance for BIDs

At the City Council's Environmental Quality and Waste Management Committee, Councilmember Greg Smith introduced a motion to have the Bureau of Sanitation investigate the feasibility of assisting BIDs with trash pick-up. Councilmember Jan Perry seconded the motion.

The BID attended Committee meeting on February 2, 2005 to speak in favor of the motion.

Representatives from Historic Downtown BID and Downtown Center also attended after the LA Fashion District initiated the calls for support. At the Committee meeting, Mr. Smith made the point that since the

City has taken over the trash transfer station our dump fees have increased by 79% to \$110,000 annually.

The committee which also includes Councilmember Alex Padilla unanimously approved the motion and we will continue to push for a better City partnership in managing the City's trash.

Grant Application Denied Due to Budget Cuts

Last October the BID submitted an application for \$100,000 to the Community Development Department (CDD) to fund a "BID Action Team". The goal of the project was to create a team of two outreach workers and a professional social worker that make contact with homeless individuals and families who are in need of access to housing and medical attention. Letters requesting support for the proposal were submitted to the Los Angeles Housing Authority and Council Districts 9 and 14.

The project application was denied due to budget cuts outlined in Mayor Hahn's proposed budget plan for CDD Funding. Severe budget cuts over a wide range of programs come as a result of reductions in federal outlays for the City of Los Angeles' federal entitlements. Nevertheless, the BID intends to increase our outreach efforts to homeless populations by redeployment of security teams and by partnering with the Midnight Mission's recent plans for additional community outreach.

1999 Nuisance Abatement Process Finally Closes the Lyndon Hotel

The Lyndon Hotel, located at 7th Street and Wall Street, was successfully closed in March 2005 as a result of the nuisance abatement process. The Lyndon Hotel was a center of criminal and drug activity in the LA Fashion District for more than a decade. The site will be used for low income housing provided by Skid Row Housing Trust (owners of the Senator and Dewey SRO's in our district). The City Attorney and LAPD are continuing to work on the Huntington Hotel which is now the number one problem hotel in the LA Fashion District.

Community Redevelopment Agency – Downtown Parking Management Study

In February, the CRA released the first report prepared by consultants Wilbur Smith Associates on "Best Practices in Parking Management". The report identifies parking management practices of other cities which may be used in downtown Los Angeles. The BID provided a copy of the LA Fashion District's 1999 Parking Study to assist in the preparation of the "Parking Profile."

Downtown Resident Study Released

The Downtown Center BID released a "Demographic Survey of New Downtown Residents" in February. The report also includes information on numbers of business establishments (12,964 up 25.5% since 1991), and employment (450,000 jobs). Based on the survey results, 49.8% of new residents are between 25 and 34 and 70% are less than 34 years of age. Median household income is \$90,000. Nearly 20% of the new residents come from out-of state. Almost half of the new residents work downtown.

Since 1999, downtown has added 3,760 housing units and over 5,600 new residents. Average household size is 1.56 people per unit. There are a further 3,600 more units under construction and another 2,200 permitted or in plan check. Many of these units are in close proximity to the LA Fashion District and will become an important customer base for businesses in our district.

New Residential Zoning Regulations Proposed

The Planning Department introduced three new ordinances in March to encourage new residential construction in commercially zoned areas in downtown. These ordinances would have a definite impact the LA Fashion District in coming years.

(1) The first ordinance eliminates setback requirements and uses FAR (floor area ratio) to calculate maximum site densities (replacing a more complicated formula). The ordinance also allows developers to calculate FAR using their entire site area before any street dedications. This will increase residential densities by 25% downtown.

(2) The second ordinance provides up to an additional 35% FAR bonus for providing affordable housing units in a project. For the first time the provision of "workforce" or medium income housing is eligible to receive a bonus.

(3) The third ordinance will require all residential projects to adhere to streetscape design guidelines which will be prepared by the Planning Department, assisted by the CRA. This will help improve the downtown streetscape and may lead to further concessions on the open space requirements for new residential projects.

These ordinances will be considered at the March 31, 2005 Central Planning Commission meeting.

LAEDC 2005-2006 Economic Forecast

The Los Angeles Economic Development Corporation released their economic forecast at a meeting on January 26, 2005. LAEDC is "cynically optimistic" about the LA economy predicting improved economic growth in 2005. The executive summary of the report is included as Attachment 2. They predict LA County will grow by 4.1% in 2005, considerably above the U.S. forecast of 3.5% and slightly above the California forecast of 3.9%.

Proposed 2005 Second Quarter Advocacy & Administration Activities

- Continue to advocate for a reduction of trash disposal fees.
- Continue advocating for enforcement of illegal vending ordinances.

IMAGE & COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

First Quarter Activities

Newsletter

The Winter 2005 newsletter was distributed to all property owners and ground floor tenants during February. The newsletter highlights the broad range of activity in the District and the current issue pays special attention to the close relationship the BID has with LAPD. **See Attachment 4.**

Publicity

The BID continues to see a large number of articles on the LA Fashion District and a higher volume of users on the website. Media Impressions were extraordinarily high this quarter. These increases are due, in part, to increased special exposure on popular television shows, on fashion focused websites, and national fashion magazines. The BID is also receiving free destination marketing advertising from new residential project ads that feature the LA Fashion District as a landmark image for reader association. The free publicity leverages free advertising dollars that supplement the modest marketing budget.

2005 First Quarter

Media Impressions

January	23,977,410
February	30,800,417
March	44,700,282
Total	99,478,109

Free Advertising Dollars Leveraged

January	\$900,900
February	\$881,000
March	\$606,000
Total	\$2,387,900

Website Hits

January	2,414,449
February	2,255,552
March	7,553,432
Total	7,553,432

Downtown Living Tour

The LA Fashion District BID partnered with three residential projects in the district to promote the district during the Downtown Living Tour organized by the City Association and the Downtown Center BID. A \$350,000 cooperative advertising effort by thirteen residential projects in downtown Los Angeles featured a 36 page spread in the February issue of Los Angeles Magazine. The centerpiece of the issue promoted a Downtown Living Open House on Saturday, February 26 and Sunday, February 27, 2005.

The BID worked with Santee Court, Pacific Electric Lofts, and Santa Fe Lofts, to make sure visitors felt welcome and excited about the LA Fashion District. Partnering with Urban Shopping Adventures, the BID held a raffle at two residential projects for a free, personalized shopping tour of the District for up to four people. Fashion District map guides, newsletters and other collaterals were also on display at both projects. Over 7,000 prospective residents were attracted to the event.

Famous People in the LA Fashion District

The New Yorker and LA Magazine celebrated the recent naming of Santee Court's public art installation "The Paul Williams Fountain". MJW Investments constructed the fountain in honor of Paul R. Williams, one of the most famous African American architects in Los Angeles. Williams was born in 1895 on the

800 block of Los Angeles Street, the site of the new residential project. During his career he designed many homes in Beverly Hills and the coffee shop in the Beverly Hills Hotel.

Proposed Second Quarter Image & Communications Activities

- Prepare for the Annual Property Owner Meeting.
- Continue preparations for the website update.
- Prepare for press conference announcing installation of the Wayfinding Signage project.

SPECIAL PROJECTS

Wayfinding Signage Installation

Plans are moving forward with the Downtown LA Walks wayfinding signage program. 1,300 pedestrian, vehicle and map signs will be installed in downtown. These signs assist visitors in finding their way throughout downtown and guide them to major destinations, including the LA Fashion District. The roll out will start in April and be completed in August.

The project started in 1998 with application for an MTA TEA grant that was awarded \$2 million. After a nation-wide RFP search Hunt Design was selected for the project design. Hunt Design created the signage at the LA Zoo, and One Colorado retail signage in historic Old Pasadena, the Kennedy Space Center, and other projects throughout the country.

It will be the largest wayfinding signage program in the United States.

The Wayfinding Signage Program is a project of the Confederation of Downtown Associations, a downtown LA BID association that was founded as a 501-C-6 organization in 1995.

A marketing campaign will increase awareness of the new program for locals and regional audiences.

- Press conference in April.
- Grand Opening celebration in September
- Radio, magazine, TV advertising
- Unique website that will educate locals and tourists about the signage

BID Selected as Coro Fellow Host

For two weeks in March, the BID hosted a Coro Fellow from The Coro Fellows Program in Public Affairs. This two year program is designed to develop leadership skills in promising individuals. During the short period of time the "intern" was with the BID, he was immersed in the daily operations of the Fashion District and also learned how BID's work with the City of Los Angeles to improve the community. Based on the success of the brief term, the LA Fashion District BID will host another Coro Fellow for four weeks in 2006.

Attachments

Attachment 1	First quarter improvement and activity financial results.
Attachment 2	2004 Annual Report Financial Summary.
Attachment 3	First quarter operations activity summary.
Attachment 4	2005 Winter Newsletter.

LA Fashion District Business Improvement District

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Second Quarter

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2005 Operating Budget Summary

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FINANCIALS

2005 – 2006 Assessment Data

At the Board of Directors meeting on May 26, 2005, members agreed to levy a 1% increase to the 2006 BID assessments. According to the City approved District Management Plan, BID assessments are subject to changes in the Los Angeles Consumer Price Index (CPI) and may be increased up to 3% per year. The BID Board recommended the increase to create reserve funding for BID renewal and any unanticipated expenses. Zone 7 will increase by 2.41% to bring that assessment zone in line with contributions from Zones 1 through 6 that will be made using the remaining surplus funds from the 1999-2003 BID.

Property owners from Santee Alley North and Santee Alley South submitted letters requesting the maximum 3% increase for alley properties. The Board of Directors approved the request.

Data was submitted to the City of Los Angeles by the June 6, 2005 deadline. The City Clerk's office responded to the proposals by approving all increases except for the proposed 3% increase for alley properties. The City Attorney was consulted and returned with the determination that the District Management Plan did not account for varied assessment rates for the district and that any increases must be the same throughout the district.

Proposed 2005 Third Quarter Activities

- Prepare for 2006 Budget meetings

PUBLIC SPACE MANAGEMENT ACTIVITIES

Annual Budget \$2,274,800 67% of the budget

PUBLIC SPACE SAFETY PROGRAMS

Second Quarter Contact Summary

The complete second quarter operations activity summary is enclosed as **Attachment 2**.

Change in Reporting Format

Starting April 2005, the format for reporting Safe Team contact data was revised. This change represents the first time since the inception of the BID in 1996, that any revisions have been implemented to the way data is presented. The format revision was initiated based on several indicators: (1) changes in the types of nuisance behavior in the district; (2) to present a clearer picture of the types of crime in the district, and to (3) more closely replicate the reporting format of the LAPD.

Although this is a positive improvement in reporting data, our ability to present comparisons is compromised until at least one year of data is available. Until April 2006, one year from the start of the conversion, the BID will provide quarter to quarter comparisons. Monthly data is on file in the permanent record for review.

Surveillance Cameras

On March 24, the Motion Picture Association sponsored the installation of 10 surveillance cameras in the LA Fashion District at a cost of \$180,000. The BID worked with the LAPD and Hamilton Pacific Security Equipment to identify priority installation locations that will provide the best coverage. Several of the new cameras have already been installed and we expect all the cameras to be installed by the end of August.

Chief Bratton and newly appointed Central Division Captains Smith and Wakefield participated in a *Fashion District* news conference regarding the installation of surveillance cameras. Currently four cameras are functioning with the remaining six slated for installation or completion. In addition, LAPD has commenced providing in-house training on the use of the cameras and monitoring equipment according to SLO Julie Nony. According to Sergeant Acosta (Central Vice), the cameras are being used to enhance LAPD's investigations which have already resulted in six arrests. Those arrests are being prosecuted by the city attorney.

Illegal Food Vending

During April, both Central & Newton Divisions partnered with the Health Department and the BID to work a host of illegal food vendors in the District. In mid-April, Central, Newton, Investigative Consultants (MPAA) and the BID collaborated and concentrated on the illegal DVD vendors. This effort resulted in two arrests and the confiscation of 4500 pirated DVD's and CD's.

During June, in an effort to curtail some of the more brazen Cushman/cart food vendors, Officer Julie Nony and the Health Department responded to a call at 12th Street at Maple regarding an unlicensed cart selling food adjacent to the Mexican restaurant. The proprietor of the restaurant advised the BID that this cart continuously interferes and competes with his business. Having been previously contacted by BID Project Manager Javier Castellon and asked to move, the cart owner returned to the area one week later. On this particular occasion, the entire contents of the cart were taken by the Health Department and the cart was impounded and towed away.

Illegal DVD Vendors and the Santee Alley

Since April 2005, the LA Fashion District housed and ultimately turned over 4231 DVD's to Investigative Consultants from the Motion Picture Association of America (MPAA). The number of observed DVD vendors around the Santee Alley continues to dwindle, this with the advent of the cameras and continued enforcement.

Safe and Clean Team employees continue to work with Alley security on a host of officer safety, alley & vending issues on a day to day basis and during the newly established bi-monthly meetings.

BID Welcomes LAPD Captain Smith

At the Board of Directors meeting on May 26, 2005, Board members welcomed LAPD Captain Andy Smith who was appointed to Central Division in May 2005 when Captain Rubert retired. Captain Smith explained that he sees four major issues for Central Division: (1) Centralize homeless actions and activities to reduce widespread drug and encampment activity into a single area in the city; (2) reduce narcotics activity; (3) reduce the sense of "lawlessness" in downtown and start an immediate assessment of the situations followed by enforcement of laws; and (4) reduction of illegal vending starting with sweeps on counterfeit merchandise and non-permitted food sales. Smith will work to coordinate city/LAPD responses to enforce the Anti-Encampment Ordinance, and narcotics abatement with federal agents. Overall there is no easy fix but the LAPD intends to make a difference and BIDs are seen as an asset in LAPD efforts.

Smith also reported that Officer Julie Nony will now be heading the LAPD illegal vending task force and Alicia Jordan will take over as Senior Lead Officer for A85.

District Special Event Participation

- Student Safety Presentation

Supervisors from the LA Fashion District Safe Teams attended and discussed safety issues with each of the FIDM classes (Los Angeles and 7th Street) that began their final semester in April.

- BID Participates in Neighborhood Safety Meeting

Fashion District was also represented at the first Pacific Electric Lofts safety meeting attended by the property management group (Terry Burns), the security vendor and LAPD (Captain Wakefield and SLO Josephs).

- Preparation for Mother's Day Holiday

In preparation of Mothers Day, the LA Fashion District played an integral role in the strategic planning efforts initiated by LAPD Lieutenant Chris Berglund to address the increased traffic and security needs of the LA Flower District. Working in unison with Street Services Enforcement and Investigations detail, LAPD, and LADOT, the BID helped minimize illegal vending, aggressive panhandling and traffic issues that improved the public environment for employees, shoppers, and buyers.

- Fiesta Broadway

BID Safety Patrols were increased in the Fashion District for the May 1st event. Although the event venue is on Broadway, the BID is impacted with additional traffic due to street closures that block access to the Fashion District and increased patrols to ensure the safety of property in the district.

Safe Team Training

During June, BID Safe Team officers received advanced training from Investigative Consultants (MPAA) on identifying and handling discarded pirated DVD's. Since March 8th, our officers have made 15 arrests for a variety of violations.

During a recent Comp Stat meeting (May 10th), Lieutenant Andy Monsue complimented the LA Fashion District for a job well done in curtailing the commercial burglaries that were plaguing the District. The coordinated efforts by our early morning teams in conjunction with Central and Newton Division LAPD officers had a profound impact on crime in the District. It should be mentioned that three of our portable radios were issued to LAPD officers, thus; allowing each entity to maintain constant contact with the other.

Homeless Count Exceeds 90,000

In January 2005 the BID participated with the Los Angeles Homeless Services Authority (LAHSA) , and over a 1,000 volunteers to count the number of homeless individuals in Los Angeles County. The BID focused on counts in downtown Los Angeles. The purpose of the count was to clearly identify the number of temporary and chronic homeless individuals, and, identify disabilities and health conditions.

LAHSA released the results of the count on June 16, 2005 and the results were sobering. With over 90,000 confirmed homeless individuals, Los Angeles County was found to have the largest homeless population in the nation for any major metropolitan area.

Of the 83,347 persons counted in all areas except Long Beach, Pasadena, and Glendale, there are 34,898 chronically homeless individuals. Of the 83,347, only 9,875 are in shelters.

The results of the Homeless Count will provide justification for LAHSA to prioritize over \$10 million for projects in the 2005 round of applications for federal funds. The results will also guide the strategies and campaign to end homelessness throughout the County; provide the basis on which to request additional resources; and serve as the baseline against which Los Angeles will measure progress towards ending homelessness.

These results also clearly identify the challenge to maintaining the public environment in the LA Fashion District. The north part of the BID shares the "neighborhood" with Skid Row starting at 7th Street and Wall Street. Property owners consistently call to complain about the negative impact this population has on their tenants, businesses and property.

The BID will continue to work to support the efforts of LAHSA by providing outreach assistance and in any community advocacy role that will assist LAHSA in procuring federal funding.

Proposed 2005 Third Quarter Public Safety Activities

- Continue to help implement the Camera Surveillance Program.
- Continue to work in partnership with LAPD Central and Newton Divisions, LA County Health Department, Animal Services, and the MPAA to stop illegal vending in the district.
- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti Removal

2005 second quarter graffiti removal records show a 25% decrease over 2004 second quarter records.

<u>Graffiti Removal Comparison</u>	<u>2004</u>	<u>2005</u>
April	629	347
May	560	569
June	699	505
Totals	1888	1421

Trash Tonnage

2005 trash tonnage totals show a 13% increase over 2004 second quarter records.

<u>Trash Tonnage Comparison</u>	<u>2004</u>	<u>2005</u>
April	217	240
May	208	255
June	222	237
Totals	647	732

Javier Rosales – June 7, 2005

On Tuesday, June 7, 2005, Clean Team employee Javier Rosales passed away after a short stay in a local hospital. As one of our equipment operators, Javier worked for the LA Fashion District for eight years. As of June 14, 2005, over \$500.00 was raised by the Clean and Safe employees at the Field Office for his wife who lives in Mexico. A tenacious and loyal employee, Javier will be missed by all.

New ATLV Purchased

On May 10th, the Clean Team took possession of our new ATLV. With its vacuuming capabilities, the less effective Liter-Hawk was removed from service after performing for almost five years. The ATLV along with our north-side 8210 Scrubber will soon be garaged at 610 South Main – the new Pacific Electric Lofts.

The Clean Teams were utilized by the police and Health Department on dozens of occasions to assist with the removal of seized food items, carts and pets. These items were immediately removed from the District and either transported to the dump or turned over to Animal Control. Over 2200 nonperishable and unopened drinks were donated to the Midnight Mission.

PE Lofts Donates Space for ATLV Sidewalk Cleaner

Alexander Moradi, developer of the Pacific Electric Lofts at 6th & Main, and a BID Board Member donated space for storing our new ATLV. This location will not only better serve the north end of the district but also reduce travel stress on the machine. Many thanks to Mr. Moradi for his generous donation.

Trash Disposal Fee Assistance: It is clear that the BID will not be receiving discounts for dump fees. However, the Bureau of Street Services is forming Task Force to help the BID address trash problems in the district. Overall, we anticipate that some good will come of our efforts to procure city assistance for collection fee increases. See the Advocacy section of this report for further details.

Employee Health Concerns

Our Clean Team is required to not only keep BID sidewalks clean of litter but also of urine, feces, remains of drug activity, and encampment trash. The stench is at times so overwhelming that Clean Team members become physically ill. To help make their job easier and to protect them against bacterial infection, in May 2005 the BID purchased special respirator-style breathing masks and gloves to help eliminate contamination by microscopic airborne particles.

Proposed 2005 Third Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.
- Deploy new sidewalk cleaning equipment.

ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY

Annual Budget	\$670,600	20% of Budget
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ADMINISTRATION

GOVERNANCE

Board Member Resigns

Paul Lentz, former General Manager of the California Market Center (CMC), resigned his position as a BID Board Member upon the sale of CMC to Jamieson Properties.

The Board of Directors will decide at a future meeting to either appoint a replacement until the general election in November or leave the chair vacant. John Kim, now General Manager of CMC, indicated his interest in joining the Board. A vote will be taken at the July meeting when a supermajority of members is present.

ADVOCACY

Special Meeting with Chief of Police William J. Bratton

Chief of Police William J. Bratton spoke to BID Consortium members on April 11, 2005 to discuss key issues concerning the role of Business Improvement Districts in maintaining public safety in the City of Los Angeles. Three members from each BID were invited to attend.

Chief Bratton discussed key issues regarding public safety policy in the City of Los Angeles. He explained the ongoing re-engineering of the LAPD organization under his direction of finding good people, delegating responsibility, and accountability. Chief Bratton emphasized that communication to Division Captains is the key to his style of leadership.

Bratton said the LAPD's three main goals in 2005 are crime reduction, counter terrorism preparedness, and compliance with the Consent Decree. All issues considered, the LAPD is doing well with a 26% decrease in overall crime in the first part of 2005.

Chief Bratton concluded by adding that BIDs are the entities that save New York City, the "life-savers" that helped rescue the city when it was in trouble. Los Angeles is in a good place but it can be better and a new horizon is in sight.

The BID Consortium is a group of representatives from 30 Business Improvement Districts in Los Angeles that meet on a monthly basis to discuss issues that impact their districts.

BID's Right to Hire Off-Duty Uniformed LAPD Approved in Principle

On May 10, 2005, the Board of Police Commissioners met to formally approve an extensive report on the feasibility of assigning uniformed officers on overtime status to work for BIDs and other private venues. They unanimously approved the concept and urged City Council to amend the ordinance accordingly.

This process started in 2002 when Councilmembers Cindy Miscikowski and Dennis Zine, of the Public Safety Committee, presented a motion asking the Los Angeles Board of Police Commissioners to consider implementation of a policy that would allow uniformed off-duty LAPD officers the opportunity to work "security" for Business Improvement Districts. Chief Bratton supports the concept of paid detail.

The Police Commission met on Tuesday May 10, 2005 and approved the proposal. The next step is review and approval by the Public Safety Committee and then to City Council for final approval.

This is a great tool for all LA BIDs to be able to use to prevent crime in our districts. Not all BIDs may need this type of enforcement however may find that hiring a police officer to tackle a particular problem in their district is a valuable option. Grand Central Partnership hired one NYPD officer in uniform 5 days a week and eliminated 85% of their illegal vending problem.

Senate Bills 351 (Soto) and 1335 (Vargas)

Both the above bills were introduced in the California legislature and proposed significant amendments to the current California BID law. Both bills would have negatively impacted the ability of the LA Fashion District to renew in 2008. If approved by the legislature, SB351 would require 50% of all property owners to sign the BID petition as well as property owners representing 50% of the total assessment.

This requirement would make it extremely difficult if not impossible to secure the required signatures because of the large number of condominium owners (over 800 by 2007 in the LA Fashion District) and the fact that we also have a number of absentee property owners. It could also give control of the BID to owners who pay only hundreds of dollars a year in assessments.

We met with Senator Soto's staff to discuss the bill along with other members of a quickly formed California BID Coalition. In response to the BID concerns, Senator Soto agreed to extend SB351 to a two-year bill and her staff is significantly reworking its provisions. SB1335 also created home negative impacts for the LA Fashion District by merging the property based and tenant based BID legislation. The California BID Coalition and the LA Fashion District wrote letters opposing the bill (Attachment 4) and Senator Vargas also agreed to extend AB1335 to a two-year bill.

The larger BIDs in California have agreed to convene a special meeting during the September 28-30, 2005 California Downtown Association conference in Palm Springs to discuss how we can address BID legislation change more pro-activity.

BIDs and Conflict of Interest Issue

This issue surfaced in the draft BID contract proposed by the City of Los Angeles. The proposed contract specifies that a BID renewal consultant cannot subsequently work for the BID. If adopted, this element of the BID-City contract would eliminate any consultant who works on a BID renewal from working on future special projects and studies for the BID. Since there are a limited number of local qualified consultants, the conflict of interest issue could negatively impact us in the future. The Mayor's Office suggested a letter of support from the BID Consortium to the State Legislature to exempt BIDs from the conflict of interest clauses in State law. To provide a summary of the complexities prior to committing support, the City Attorney gave a full presentation on the issue at the BID Consortium meeting on Wednesday, May 25th, 2005.

Assistance for Trash Pick Up Denied

At a meeting on May 4, 2005, the Bureau of Sanitation presented a report to the Environmental Quality Committee of the City Council that recommended formation of a BID Solid Waste Task Force. The Task Force will review the adequacy of the current waste haulers, educate business owners of their responsibility to contract waste services, implement recycling programs, and conduct additional periodic community cleanups if necessary. Formation of the task force has already begun and the BID will be attending the meetings. However, the potential for reductions in City dump fees is highly unlikely. The Task Force will report back to Council by September, 2005. In the interim, the BID requested input from the Bureau of Sanitation on the feasibility of several recommendations:

- **Recycling**

Much attention has been given to recycling items such as plastic garment sheeting, and other items left after the "natural" recycling efforts conducted by homeless individuals and cardboard pickup. However, some of the more obvious issues associated with recycling are:

1. What items are to be collected and recycled?
2. The need for a suitable location for such a sorting-out endeavor.
3. Time constraints – how to sort through 26000 bags of trash per month??
4. Employing an individual(s) to perform the sorting

- **Roll-Offs and Compactors**

A second alternative is to minimize our use of the City facility and consider using 'roll-off' containers with their fixed cost. Travel time to the dump and fuel costs will also be positively impacted by this option.

1. Store roll-off bins utilizing a portion of DWP and/or LAUSD property located within the Fashion District BID
2. Proportionate loading of the roll-offs can be achieved with on site trash compactors.

We are continuing to meet with the Bureau of Sanitation and Jan Perry's office to explore ways to reduce our trash costs. We have now found a location to take bulky items rather than transfer station to save on disposal fees. We are also looking for a site where we can store a dumpster and trash compactor.

Update on Ad Hoc Illegal Vending Committee

Commander Charlie Beck presented his thoughts on enforcing illegal vending based on his experience in Rampart and Central Divisions. He stressed that a sustained, coordinated enforcement effort is the only way to eliminate illegal vending. He believes the cameras will be an important tool to assist LAPD in enforcing illegal vending codes. A recent article from the LA Times is attached. The city is exploring the possibility of entering into a Memorandum of Understanding with the County to allow city staff and LAPD to enforce County health regulations.

CRA's City Center Redevelopment Project Area

The California Court of Appeal has ruled that the City cannot move forward with the current City Center Redevelopment Project Area. No part of the older CRA area can be included in the current plan boundaries. This means that the majority of the LA Fashion District cannot receive redevelopment funds until the earlier CRA project expires in 2012.

No further Project Advisory Committee meetings have been scheduled and Bud Ovrom the head of the CRA has moved to the Mayor's Office to oversee the Mayor's Housing and Economic Development Team.

Community Meeting to Discuss Possible Park at 741 S Los Angeles

On May 10, 2005, property owners in the area of 741 S Los Angeles Street were invited to attend a community meeting to voice their opinions about a proposal to convert a parking lot into a park. Yolanda Chavez, Office of the Mayor, explained the purpose of the meeting was to gain community input regarding a proposal for development of a park at 749 South Los Angeles Street. The property is owned by the Department of Water & Power and site of an underground power station that provides power to one quarter of downtown Los Angeles. It is currently a parking lot that could be developed into a park provided that the design protects the underground vaults and also allows access in the event of a problem. The city architects are prepared to develop the design, and there is funding available. What the city needs to proceed with development is community support and a commitment to ongoing maintenance.

The pros and cons of such a conversion were discussed including lost parking spaces, and the need for green space in downtown's hardscape. Property owners asked for a viable parking plan to increase availability before further discussions are convened.

Downtown Parking Study Task Force Update

Kent Smith was invited by the Community Redevelopment Agency to participate in the next phase of the downtown parking study. A draft Problem Statement is attached. We are supporting the construction of a parking structure near California Market Center to accommodate the increase in buyer and shopper traffic there. We are hosting the next Parking Task force meeting which will be held on the evening of May 24, 2005.

We are working with Wilbur Smith, the consultants on the parking study. The study which is funded by MTA, LADOT and Cal Trans is examining ways to improve street parking for short term parkers, and examine ways to increase off-street parking for retail customers.

We are concerned that with the tremendous amount of development taking place in South Park, and the simultaneous loss of surface parking lots to new construction, shoppers patronizing the LA Fashion District will no longer have cheap and convenient parking. We will continue to monitor the progress of the study.

California Market Center Escrow Closes

Jamieson Properties formally took ownership of the California Market Center on April 28, 2005. In a letter to tenants, the new General Manager, John Kim, said Jamieson Properties looks forward to upholding the renowned reputation of this landmark facility. Mr. Kim visited the BID administration office in a recent walk through of the building. We had an opportunity to welcome him to the Fashion District and introduce him to BID services. Kent Smith is a member of the CMC Advisory Board and attended the first meeting on May 18, 2005.

Red Car Focus Group

A study funded through a federal grant provided by Congresswoman Lucille Roybal-Allard will examine potential routes, car-types and designs, and equipment necessary for operation to restore Red Car

The Red Car is envisioned to:

1. Serve as a central public transit system that will connect Downtown's varied communities both for residents and visitors, as well as connect housing, retail and entertainment uses
2. Function as a tourist attraction and economic development tool by creating impetus for business growth in Downtown

An advisory group comprised of a cross section of members with downtown interests was convened by the LA Conservancy. Kent Smith was invited to represent the Fashion District, and Lynn Myers was invited to represent the Downtown LA Neighborhood Council. At the first meeting on June 6, 2005 the contractors gave a preliminary presentation that outlined the activities planned for the study. The majority of the advisory group are in full support of restoring the Red Car service in downtown as a circulator for tourists and transportation for residents. Negative issues were also discussed and included elimination of on-street parking spaces, traffic congestion, and noise. According to the timeline the study started in May and will conclude in November. Extensive community outreach is planned.

Fiesta Broadway

Fiesta Broadway dominated the area once again for the annual May festival. This year the event took place on May 1st. Although Fiesta Broadway is not in our district, we are impacted by the event in many ways including street closures that block access to the Fashion District and increased patrols to ensure the safety of property in the district.

It came to the attention of the BID that many property owners in the Historic Core BID are negatively impacted by Fiesta Broadway. This annual event also impacts traffic and operations in the Fashion District.

Former Councilmember Villaraigosa responded to an objection letter from a property owner that outlined problems impacting the downtown area due to the annual event. Councilmember Villaraigosa's letter indicated that the Council Office will encourage the event planners to include merchants, residents, BIDs, and other entities earlier in the planning process in order to mitigate concerns.

Support for Proposed Ordinance to Prevent the Sale of Live Animals on LA Streets and Sidewalks

On June 29, 2005 the BID advocated for support of a proposed ordinance to prevent the sale of live animals on the City streets, sidewalks, rights-of way and other public property to Councilwoman Jan Perry.

On October 24, 2004, a motion was presented by Councilwoman Perry at the Public Safety Committee and seconded by Councilmember Ed Reyes, that requested the City Attorney to prepare and present an ordinance which would prevent the sale of live animals. Unfortunately there has been no further action, that we are aware of, on this very humane effort.

The LAPD, Animal Services, and the BID are carrying out confiscations of these animals to protect the public from disease and the pets from starvation. As we enter the hot summer season, more of these animals will succumb to the inhumane conditions in which they are being caged and sold. Photographs of a confiscation carried out on June 11, 2005 were provided.

The proposed ordinance is welcomed by LAPD officers, Animal Services officers and the LA Fashion District. The ordinance will serve as an effective tool for law enforcement to use to protect animals, and the public.

The BID is also ready to assist the Councilwoman in any way that is appropriate, including providing photographs of inhumane conditions, numbers of animals being sold illegally, and testimonials from our staff and business community.

Downtown Housing Forum

On June 16, 2005, Fashion District staff attended the forum hosted by the Central City Association to hear about the newest residential projects and market trends in downtown residential development. It is clear that as the landscape in downtown changes, the BID must be prepared to address new and old challenges on the public environment.

Mr. Alex Moradi, Fashion District property owner of the Pacific Electric Lofts was a forum panelist. Mr. Moradi explained to the audience that he felt confident about the success of his multi-million dollar project due to open by July. He went on to say that he did not feel as confident about safety in downtown and that drug dealers, homelessness, and a sense of general lawlessness in the streets will prevent downtown from becoming a 24 hour city. The Fashion District will continue to advocate for safety in the streets of downtown Los Angeles and ensure appropriate delivery of clean and safe services in the district.

Recommendations for Staff Appointments to Mayor-elect Villaraigosa's Administration Team

The LA Fashion District recommended four staff people in the current Mayor's office for appointment to Mayor-elect Villaraigosa's Administration Team. Hamid Behdad, Dan Kahn, Michelle Fleenor, and Naomi Guth, have contributed their expertise and hard work to help the LA Fashion District become a thriving retail and wholesale area that now is home to a growing number of residents. They have helped us improve the quality of the public environment and create an excellent business climate to ensure the LA Fashion District remains the center for fashion in Southern California.

CD 14 Candidate Forum

The Board of Directors agreed to invite candidates for Council District 14 to a Board meeting before the November election. (This is not a fundraising event.)

The LA Fashion District BID uniquely situated in both Council District 9 and Council District 14. The former Councilman, Antonio Villaraigosa, was recently elected Mayor of Los Angeles and took office on July 1, 2005.

Mr. Jose Huizar and Mr. Nick Pacheco have filed their intent to run for the vacant city council seat in a November 2005 election. The Board agreed to convene a community meeting for an opportunity to talk directly to the Candidates about issues that impact the Fashion District, downtown Los Angeles, and their plans for the future of Council District 14.

Invitations were mailed to all BID property owners with a request to submit advance questions and discussion topics that will help create an agenda that is based on community concerns.

Proposed 2005 Third Quarter Advocacy & Administration Activities

- Continue to advocate for a reduction of trash disposal fees.
- Continue advocating for enforcement of illegal vending ordinances.
- Track activity on SB 351 and 1335.
- Prepare for 2006 Election of Board of Directors.

IMAGE & COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Third Quarter Activities

Annual Property Owner Meeting

The 2004 Annual Report and Annual Meeting presentation were completed for the April 21 meeting. The Annual Report summarized what was an outstanding year for the BID. The power point presentation illustrated the BID's success and recognized the District Improvement Award winners. A copy of the annual report is enclosed here as **Attachment 3**.

Press Conference Introduces Wayfinding Signage Program

The kick-off press conference for the Downtown LA Walks wayfinding signage program was April 26. The press conference coincided with the first sign installation and was highlighted by the Lakers Girls "modeling" some of the signs. KNBC, KABC, Downtown News, Daily News, La Opinion and Rafu Shimpo covered the event resulting in 3.9 million media impressions. Look for the rest of the 1,300 signs to be installed all throughout downtown in the following months. Marketing Coordinator, Katherine Schmidt continues to work with the other BIDs to market this program and plan for a culmination event in the Fall.

BID & The Intersection Marketing Collaborative Release RFP

The LA Fashion District Business Improvement District (BID) released an invitation for proposal/quote on June 10, 2005, seeking professional assistance to conduct a public relations campaign that will promote the development of the wholesale apparel marketing collaborative known as **THE INTERSECTION**. Our goal is to position **THE INTERSECTION's** image as the premier contemporary apparel center in the world to media sources, buyers, and potential sponsors.

Public relations groups were invitee to submit a statement of interest and quote for the draft scope of work that will raise the profile of Market Week with media sources; attract sponsorships through the lines directory; increase attendance at markets. Interviews are planned for late July.

Spring Newsletter Focuses on Surveillance Cameras

The Spring 2005 newsletter was recently completed and will be mailed to all property owners and delivered to the ground floor tenants by the Safe Team. The newsletter highlights the broad range of activity in the District and the current issue pays special attention to the surveillance cameras and the positive impact they will bring to the District. A copy is attached.

TV Stations Put the Fashion District in the Limelight

The LA Fashion District has been seen on numerous television stations recently. KTLA came to the District when they did a story about knock-offs in Santee Alley. KNBC reported on the growing number of surveillance cameras and that the most recent additions are in the Fashion District. Fox News San Diego did a shopping feature on the District and Marketing Coordinator, Katherine Schmidt and Christine Silvestri from Urban Shopping Adventures did a live in-studio interview for the piece.

Surveillance Cameras Press Conference

With the installation of additional surveillance cameras in the Fashion District, the District saw publicity on every major television news station, including NBC, CBS, ABC, KTLA, FOX, Telemundo and Univision. KNX radio, KPCC radio, LA Business Journal, Garment & Citizen, Downtown News and the Hollywood Reporter also picked up the story.

Desperate Housewives

In early July, LA Fashion District BID staff assisted the costume designers of the television show, Desperate Housewives, in a shopping trip to the designer showrooms of the District for apparel for the upcoming season. The breakout hit show regularly features lines located in the LA Fashion District, including Free People, Nanette Lepore and Laundry by Shelli Segal.

Economic Development Study

The Board of Directors approved allocating approximately \$75,000 for this study at its meeting on November 21, 2004. The BID drafted terms of reference for the study and issued an RFP to three firms to receive proposals by January 7, 2005. The plan is to produce a comprehensive market research study to quantify the positive changes in the District since the last study conducted in 1996 in order to attract city, state, and media attention to the District.

Media Impression, Leveraged Advertising, Website Hit Comparisons

2005 Half Year Summary & Comparison

<u>Media Impressions 6 Month Total</u>	188,856,030
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January	23,977,410	April	30,023,257
February	30,800,417	May	34,243,083
March	44,700,282	June	25,111,581
Quarter Total	99,478,109	Quarter Total	89,377,921

<u>Free Advertising Dollars Leveraged 6 Month Total</u>	\$3,821,087
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January	\$900,914	April	\$366,936
February	\$880,667	May	\$472,624
March	\$606,498	June	\$593,627
Quarter Total	\$2,388,079	Quarter Total	\$1,433,187

<u>Website Hits 6 Month Total</u>	14,676,412
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January	2,414,449	April	2,417,183
February	2,255,552	May	2,572,977
March	2,883,431	June	2,132,820
Total	7,553,432	Quarter Total	7,122,980

3 Year Comparisons

Six month records over the last three years provide an important measure for the effectiveness of BID advertising and public relations. Records also provide a general indication of overall growth in the district in terms of the amount of media attention attracted to changes in the business community and residential projects.

	2003	2004	2005
Media Impressions	79,020,717	122,279,473	188,856,030

Media Impressions recorded for the first half of 2005, increased 140% over those recorded in 2003.

Website Hits	3,830,233	6,603,393	14,676,412
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Website Hits in the first half of 2005, grew 283% compared to data recorded in 2003.

Free Advertising \$	\$1,445,858	\$3,856,581	\$3,821,266
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Advertising Value Equivalency for the first half of 2005 increased %164 over those recorded in 2003.

SPECIAL PROJECTS

Wayfinding Signage Status Report

There will be 1300 signs throughout downtown to direct pedestrians and vehicles to downtown destinations including 285 vehicle signs, 450 pedestrian signs, 285 pedestrian map signs. Signs are already installed in the Chinatown area, and several in the Bunker Hill area.

As part of the agreement with MTA for funding the project, downtown BIDs agreed to maintain the signs. All signs will be sealed with graffiti repelling material to allow easy tag removal. BIDs are also required to replace missing signs. The contractor has provided a one year guarantee. All signs will be installed by August 31, 2005. The LA Fashion District will have 39 vehicular signs, 35 pedestrian signs, and 65 pedestrian map signs installed throughout the district. The BIDs will be working together to place group orders when necessary to ensure cost effective replacement.

FINANCE

Following are the first six months financial results for the period ending June 30, 2005. The results are un-audited but fairly reflect the Activities of the LA Fashion District BID.

LA Fashion District BID
Summary of Un-audited Financial Information
For the 6 months Ended on June 30, 2005

	2005
ASSETS	
Total Current Assets	\$ 3,032,455
Total Property and Equipment	\$ 168,972
Total Other Assets	\$ 10,400
Total Assets	\$ 3,211,827
LIABILITIES & CAPITAL	
Current Liabilities	\$ 1,713,240
Long Term Liabilities	\$ -
Retained Earnings	\$ 1,498,587
Total Liabilities & Equity	\$ 3,211,827
 REVENUE	 \$ 1,737,944
EXPENSES	
Public Space Management	\$ 1,077,173
Administration, Communication, & Special Projects	\$ 243,328
South Santee Alley	\$ 105,274
Other	\$ 120,217
Total Expenses	\$ 1,545,991
 NET REVENUE	 \$ 191,953

FINANCE

Following are the first nine months financial results for the period ending September 30, 2005. The results are un-audited but fairly reflect the Activities of the LA Fashion District BID on an accrual basis

**LA Fashion District BID
Summary of Un-audited Financial Information
For the 9 months Ended on September 30, 2005**

	2005
ASSETS	
Total Current Assets	\$ 2,235,776
Total Property and Equipment	\$ 151,905
Total Other Assets	\$ 10,400
Total Assets	<u>\$ 2,398,080</u>
LIABILITIES & CAPITAL	
Current Liabilities	\$ 857,833
Long Term Liabilities	\$ -
Retained Earnings	\$ 1,306,634
Net Revenue / (Loss) YTD	\$ 233,613
Total Liabilities & Equity	<u>\$ 2,398,080</u>
 REVENUE	 \$ 2,623,235
EXPENSES	
Public Space Management	\$ 1,636,886
Administration, Communication, & Special Projects	\$ 413,619
South Santee Alley	\$ 157,911
Other	\$ 181,205
Total Expenses	<u>\$ 2,389,622</u>
 NET REVENUE / (LOSS)	 <u>\$ 233,613</u>

LA Fashion District Business Improvement District

2005 Activity Reports

Third Quarter

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2005 Operating Budget Summary

The third quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2005 is projected at \$3.4 million.

FINANCIALS

2006 Budget and Work Plan

Preparation for the 2006 Budget and Work Plan started during the third quarter with a staff evaluation of 2005 programs and expenses. During the quarter each Committee discussed and approved any service program changes and budgets. The draft budget and work plan is slated for presentation at the October Finance Committee meeting with final approval at the November Board of Directors meeting.

Receivables

At the end of the third quarter, the total estimated uncollected assessments for 2005 are \$145,000 composed of LAUSD \$85,000, Cal Trans \$46,000, and private parcels \$14,000.

LAUSD received a direct request for assessment payment from the BID on August 8, 2005. This public entity owes the BID \$394,639 from 1998/99 to 2004/05. In 2003, an arrangement was made with LAUSD stating that payment would be made once the LAUSD property within the district was sold or leased. It now appears that LAUSD is not planning to sell or lease the property in the foreseeable future. The BID requested settlement of outstanding arrears and receipt of timely payment for future BID assessments.

LAUSD was also informed that the BID is prepared to settle the issue using the same principles as applied to other BIDs in Los Angeles.

1. We will accept a 50% payment for all outstanding BID arrears from 1999-2004.
2. We will accept a 50% reduction for future BID assessments covering the 2005-2008 periods.
3. We will request the City to waive all penalties and interest charges on the outstanding arrears.

The letter was copied to Mr. Jose Huizar, president of the LAUSD Board of Supervisors.

Proposed Fourth Quarter Finance Activities

- Prepare 2006 Budget and Work Plan for Board approval.

PUBLIC SPACE MANAGEMENT ACTIVITIES

Annual Budget \$2,274,800 67% of the budget

PUBLIC SPACE SAFETY PROGRAMS

Third Quarter Contact Summary

The complete third quarter operations activity summary is enclosed as **Attachment 2**.

Change in Reporting Format

Starting April 2005, the format for reporting Safe Team contact data was revised. This change represents the first time since the inception of the BID in 1996, that any revisions have been implemented to the way data is presented. The format revision was initiated based on several indicators: (1) changes in the types of nuisance behavior in the district; (2) to present a clearer picture of the types of crime in the district, and to (3) more closely replicate the reporting format of the LAPD.

Although this is a positive improvement in reporting data, our ability to present comparisons is compromised until at least one year of data is available. Until April 2006, one year from the start of the conversion, the BID will provide quarter to quarter comparisons. Monthly data is on file in the permanent record for review.

Contract Reviews

Both contracts for clean and safe services end in December 2005. The current FSS and Securitas contracts include options for renewal for another two years. We are examining alternatives to provide a recommendation for renewal or a new RFP process.

District Problem Areas

On August 4, 2005 the BID met with Senior Lead Officer (SLO) Alisha Jordan to discuss start up of the A-Car meetings. SLO Jordan intends to target key groups to enhance crime enforcement in the following major problem areas:

Huntington Hotel

This hotel located at Main Street and 8th Street is a focal point for crime activities including drug sales and prostitution. It also houses low income families with children. SLO Jordan is working with Neighborhood Prosecutor Dena Carreyn to coordinate nuisance abatement proceedings. The goal is to help owners of the Huntington Hotel become "good neighbors" in the community by complying with rules that will improve the housing conditions. The first step is to show evidence of crimes and negative impact on the neighborhood by contacting area merchants and employees. The BID agreed to assist Jordan and Carreyn in obtaining victim declarations.

Flower Mart

Meter tampering problems are increasing. The Neighborhood Prosecutor is working to develop stay away orders for repeat offenders. Window washers are another problem on the rise in this area. Merchants and owners in the area will be asked about what time of day this activity is most often observed in order to help officers apprehend offenders.

Merchandise Mart

As the weather gets cooler, some homeless individuals are starting fires in trash cans for warmth. Increased surveillance is planned for this area.

Liquor Stores

Several stores have been found to be selling alcohol to already inebriated persons. SLO Jordan will be working with the Alcohol & Beverage Control to educate these merchants.

Surveillance Cameras

In July, we continued working on the installation of the 10 cameras in the LA Fashion District. Hamilton Pacific is installing the cameras which are monitored by LAPD.

We are exploring with Hamilton Pacific and LAPD how we might add to the cameras in the LA Fashion District. One alternative would be for the BID to finance the “hubs” for the cameras with individual owners financing the actual cameras. Each hub can accommodate 12-14 cameras. A special presentation on cameras is planned for a future Board meeting.

Vending Enforcement

During the third quarter, LAPD Central Division continued to make illegal vending enforcement a high priority with former Senior Lead Officer Julie Nony heading up the illegal vending task force. LAPD Central Division’s Captain Smith praised the BID’s efforts in assisting LAPD with the task force in a commendation letter. The BID also sent a letter to Councilmember Jan Perry, CD 9, supporting her efforts to prevent the sale of live animals on City streets and sidewalks.

Increasing numbers of Cushman Cart vendors are taking up valuable parking spaces all day, illegally frying hot dogs, leaving trash, and creating sidewalk obstruction. Operations Director Randy Tampa suggested issuing moving violation fines to Cushman Carts that are in violation of vehicle inspections for proper brake lights and other required vehicle equipment. LAPD started enforcement several weeks ago and were surprised to find that some Cushman Cart owners did not have driver licenses. Enforcement will continue; the number of carts entering the district has been reduced at least for the moment.

LAPD Initiative in Skid Row

On July 1, 2005, the BID met with Captain Joan McNamara of Newton Division to discuss the captain’s goal to address crime problems in the area around 7th and San Julian. She informed us that LAPD will be increasing its presence in this area in the very near future. We offered to work with the Newton Division to help them patrol this area more effectively.

On September 22, 2005, representatives from the City Attorney, LAPD, BIDs, social service organizations, and Council District 9 met to discuss the future of Skid Row. Several programs may produce importance positive results for the Fashion District: (1) a designated downtown narcotics recovery zone may be implemented with the objective of keeping drug dealers away from the area with stay away notices. The boundaries were initially Hill Street to Alameda and 3rd Street to Olympic. The BID convinced the group to move the boundary to the 10 Freeway in order to include the Fashion District.

Proposition 63 funds are expected to top \$400 million. The funds are intended to improve the state of mentally ill individuals who are chronically homeless. Downtown LA is designated to receive only 28% of the funds. Downtown stakeholders are planning to attend an October meeting of the oversight committee to secure more funds for Los Angeles and more funds from the mentally ill who are chronically homeless.

Proposed Fourth Quarter Public Safety Activities

- Prepare for holiday season security.
- Continue to address illegal vending activities with the assistance of Council District 9 and City Service Departments.
- Continue to participate in the illegal vending task force within appropriate protocol.
- Continue to act as liaison to direct homeless populations to service organizations.
- Evaluate service programs and develop the 2006 safety service budget

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti Removal

2005 third quarter graffiti removal records show a 23% decrease over 2004 third quarter records.

<u>Graffiti Removal Comparison</u>	<u>2004</u>	<u>2005</u>
July	786	403
August	752	679
September	493	478
Totals	2031	1560

Trash Tonnage

2005 trash tonnage collection records show an 11% increase over 2004 third quarter records.

<u>Trash Tonnage Comparison</u>	<u>2004</u>	<u>2005</u>
July	208	201
August	220	265
September	213	247
Totals	641	713

Sidewalk Cleaning

Automated sidewalk cleaning activity increased 19% over 2004 third quarter performance.

<u>Automated Sidewalk Cleaning Comparison</u>	<u>2004</u>	<u>2005</u>
Third Quarter Total	8,473,842 sq ft	10,071,328 sq ft

Pressure Washing

Pressure washing activity during the 2005 third quarter increased 136% over 2004 third quarter records.

<u>Pressure Washing Comparison</u>	<u>2004</u>	<u>2005</u>
July	0	119
August	80	133
September	91	152
Totals	171	404

Trash Collection Costs

We continue to meet with the Bureau of Sanitation and Councilwoman Jan Perry's CD 9 office to explore ways to reduce our trash costs. We have now found a location to take bulky items rather than transfer station to save on disposal fees. We are also looking for a site where we can store a dumpster and trash compactor. Board members were asked to consider donating space to store the equipment.

Proposed Fourth Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.
- Increase staff for holiday coverage.

ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY

Annual Budget	\$670,600	20% of Budget
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GOVERNANCE

Bylaws Review

In preparation for the upcoming election, the Ad Hoc Election Committee met in July to develop options for addressing the potential of related persons running for the office of Board of Directors. The committee presented two options to the Board of Directors for consideration and approval.

Board Members agreed that in the case of related persons running for office, the related parties must decide amongst themselves which one candidate shall run. If they cannot decide in a timely manner then none of the related persons shall be allowed to run, or serve if they win by write-in vote.

This revision was forwarded to legal counsel for incorporation into the current bylaw document.

Election of Members to the 2006 Board of Directors

On December 31, 2005 the terms of six of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors will end.

The Election Committee met on August 18, 2005 to review election timeline and procedures for the 2006 Board of Directors election. This is the third direct election of Board Members by LA Fashion District property owners.

As in the previous two years, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate. Invitation letters and instructions for the nomination procedure were mailed to all property owners on August 25, 2005 inviting them to declare their interest in becoming a candidate. Nominations closed on September 21st and six candidates will seek election for the six available seats. Voting ballots were mailed to all property owners on October 24 and the campaign ends on November 29th. The election results will be publicly announced at the Board of Directors on December 1, 2005.

ADVOCACY

Senate Bills 351 (Soto) and 1335 (Vargas)

The larger BIDs in California convened a special meeting during the September 28-30, 2005 California Downtown Association conference in Palm Springs to discuss how the BIDs can address BID legislation change more pro-actively.

Candidate Forum

On July 28th the BID Board of Directors hosted a forum for two candidates running for City Council, District 14. Mr. Jose Huizar and Mr. Nick Pacheco were invited to a community meeting to answer questions about their views on issues that impact the LA Fashion District. All property owners received invitations with the disclaimer that the forum was not a fundraising event. Property owners were also asked to forward comments and questions in advance to help the BID staff develop an agenda based on community concerns.

General questions for both candidates included what they would do to help the Fashion District BID to perform its mission to provide a clean, safe and friendly place to work, shop, do business, and live; and how they would address the homeless situation.

Several property owners asked questions directed to individual candidates. Mr. Huizar was asked to comment on the future prospects for developing the LAUSD property in the BID and the BID assessments owed by LAUSD from the pasta seven years and amounts to nearly half a million dollars. Mr. Pacheco was asked how he saw his ability to work with Mayor Villaraigosa after losing the council election to him two years ago.

Both candidates were encouraged to help the BID continue to build the partnerships with city entities that are necessary to accomplish many of our goals. Huizar and Pacheco assured that, if elected, they would assign a staff person to act as a "go-to" person for help with problems.

Objection to Installation of Automated Public Toilet (APT012) at 856 S. Main Street

In August it came to the BID's attention that the City of Los Angeles and Viacom Decaux, planned to install an Automated Public Toilet (APT) at 856 S. Main Street. This location is approximately mid block on the northeast side of Main Street and 9th Street on the sidewalk in front of Joe's Auto Park.

Formal objection letters to this proposed installation site was sent to City officials by the BID and neighboring property owners. Consideration of alternative sites near the Santee Alley area was proposed.

In 2003, objections to the installation the APT on Main Street were conveyed via telephone calls from property owners to Viacom Decaux and the Bureau Street Services. However, according to the Bureau of Street Services, because no written objection letters were received, the site was considered approved by the property owner.

In fact, neighboring property owners and the BID are extremely concerned about loitering and other nuisance activities that may be attracted by installation of an Automated Public Toilet (APT) in this area. The Huntington Hotel, one of the worst drug activity magnets in downtown Los Angeles, is less than a block north of the proposed site.

The 9th & Main Street area of the Fashion District is already well-served with public restroom facilities that are located in nearby restaurants and buildings. This area does not receive high numbers of pedestrian traffic that other areas of the district experience. The BID and property owners encouraged consideration of the Santee Alley area for potential sites for Automated Public Toilets. There are very few public restrooms available in the Santee Alley and surrounding areas. The high volume of pedestrians traveling in this area, both on weekdays and weekends, would make excellent use of the facilities.

The LA Fashion District BID offered to work with the Bureau of Street Services and Viacom Decaux to identify alternate, suitable locations in the Santee Alley and adjacent streets.

CRA Parking Study

During July the BID continued to work with Wilbur Smith, the consultants on the parking study. The study which is funded by MTA, LADOT and Cal Trans is examining ways to improve street parking for short term parkers, and examine ways to increase off-street parking for retail customers.

A policy option discussion paper was published and one of the parking companies responded with comments and concerns. The LA Fashion District is concerned that with the tremendous amount of development taking place in South Park, and the simultaneous loss of surface parking lots to new construction, shoppers patronizing the LA Fashion District will no longer have cheap and convenient parking.

CRA'S City Center Redevelopment Project Area Study

In July, the California Court of Appeal ruled that the City cannot move forward with the current City Center Redevelopment Project Area. No part of the older CRA area can be included in the current plan boundaries. This means that the majority of the LA Fashion District cannot receive redevelopment funds until the earlier CRA project expires in 2012. No further Project Advisory Committee meetings have been scheduled and Bud Ovrom the head of the CRA has moved to the Mayor's Office to oversee the Mayor's Housing and Economic Development Team.

BID Recommends Staff Appointments to Mayor Villaraigosa's Administration Team

The LA Fashion District recommended several staff people from former Mayor Hahn's office for appointment to Mayor-elect Villaraigosa's Administration Team. Hamid Behdad, Michelle Fleenor, and Naomi Guth, who have contributed their expertise and hard work to help the LA Fashion District were all retained by the new Mayor.

Economic Activity

During July, construction work finally started on the LA FACE project at 14th and San Pedro, a wholesale showroom condominium project. Construction also started on a 100,000 sq. ft. retail project on the north side of Olympic between Maple and Wall streets. This project is being developed by the KI Group who are also building a large wholesale condominium project at Stanford and 14th streets just east of the LA Fashion District.

The Yankee Housing project, located in the north part of the BID, recently opened and will provide affordable housing for homeless individuals.

Support for 636 Maple Parking Structure

We attended the City Council Transportation Committee meeting on September 14th to lend support for construction of the 636 Maple Avenue parking structure. We are pleased to report that the Committee unanimously approved the project and forwarded their recommendation to the full Council for final approval.

This parking lot structure was proposed in 2002 by MJW Investments as part of the Santee Court residential project. In 2003, the City Council approved \$12.7 million in public funding to finance construction with \$7.1 million in Empowerment Zone bond funds, \$1.5 million from Urban Development Action Grant funds, \$3 million from the Special Parking Revenue Fund, and \$1.1 million from the U.S. Small Business Administration – approved and secured by U.S. Congresswoman Lucille Roybal-Allard.

The structure will be built on MTA-owned land and will provide 420 parking spaces for the tenants of Santee Court, patrons of the Fashion District, and as a staging area for MTA buses. This important development represents a true partnership of public and private entities with over 1,000 people participating to guide the project to completion. And, while we wish the proposed structure was closer to Los Angeles Street, its construction will certainly benefit businesses, employees, shoppers, and residents.

Annual International Downtown Association Conference

This year the conference was hosted by the city of Denver, Colorado. Four BID staff members attended scores of workshops and seminar sessions to learn about recent issues and developments in urban revitalization projects throughout the nation and the world. Topics included social issues, operations, marketing, transportation, residential, retail, planning and organization building.

Executive Director Kent Smith is a Member of the IDA Board of Directors. He attended Board meetings while in Denver and moderated several conference sessions.

Proposed Fourth Quarter Administration Activities

- Conduct election campaign to elect Members to the BID Board of Directors.
- Track progress to objection of APT installation.

IMAGE & COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Third Quarter Activities

Summer Newsletter

This issue focused on the Wayfinding Signage Project and the Candidate Forum. **See Attachment 3.**

California Downtown Association Award

The LA Fashion District BID won the 2005 Crystal Eagle Award in Marketing and Communications from the California Downtown Association. The BID's redesigned collateral materials, including the map guide, newsletter, services directory, annual report and banners was recognized on September 29, 2005 at the CDA conference in Palm Springs. This is the BID's second Crystal Eagle award; in 2003, the BID's website, www.fashiondistrict.org was recognized.

Recent Publicity

The Fashion District received media attention in late August as a result of a survey conducted of the ground-floor businesses in the District. The analysis showed store increases in nearly all product categories, with a notable 25.6% increase in ground-floor businesses from 2001 to 2004. Stories ran in the Downtown News, California Apparel News and the Korean Times.

Website Update

Based on the results of the RFP process, in July the Image & Communications Committee agreed to hire Marutek as the new web site vendor. The website is due for updates and redesign. Marutek services most closely fit the needs of the BID. The committee also agreed to use a portion of the remaining allocated website funds for advertising to promote the new website once it is completed.

Economic Development Study

In July, the BID initiated work on a market research study with the overall goal of the project is to obtain a good perspective on the economic impact of the LA Fashion District in the Los Angeles economy.

The Los Angeles Economic Development Corporation (LAEDC) and Economic Research Associates (ERA) will work together with BID staff to complete the study by early 2006. On September 7, 2005 BID staff met with Nancy Sidhu of LAEDC and Dave Wilcox of ERA to begin work on the Fashion District economic impact study. They are going to be collecting information and will want to interview key people who can discuss the changes the district has experienced and provide an insight into real estate trends over the next several years.

Desperate Housewives Go Shopping in the District

In early July, LA Fashion District BID staff assisted costume designers of the television show, Desperate Housewives, in a shopping trip to the designer showrooms of the district for the upcoming season. The breakout hit show regularly features lines located in the Fashion District including Free People, Nanette Lapore and Laundry by Shelli Segal.

Best of Downtown L.A.

The LA Fashion District continues to do well in the LA Downtown News readers' poll. This year we won "Best Bargain Shopping", "Best Place to Blow \$100" and "Best Local Florist" (LA Flower Market). For the first time we also won "Best Weekend Hangout".

LA Fashion Awards

The LA Fashion District will sponsor the first annual LA Fashion Awards slated to be held at the Orpheum Theater in October. The awards program is expected to leverage increased media attention for the apparel industry and the Fashion District. Other sponsors include Moss Adams, Downtown Center BID, FEDX, and NASDAQ.

Media Impression, Leveraged Advertising, Website Hit Comparisons

Third Quarter Summary & Comparison

Media Impressions

July	25,697,354
August	25,343,555
September	24,842,299
Total	75,883,208

Free Advertising Dollars Leveraged

July	\$472,182
August	\$467,423
September	\$382,674
Total	\$1,322,279

Website Hits

July	2,336,020
August	Not available due to website update and redesign
September	Not available due to website update and redesign
Total	2,336,020

Proposed Fourth Quarter Image & Communications Activities

- Complete website redesign.
- Prepare holiday advertising campaign.

SPECIAL PROJECTS

Wayfinding Signage Status Report

The pedestrian signage was installed in the LA Fashion District in September. BID staff monitored the installation to report any problems to the Project Manager. Pedestrian maps will be installed in the next phase followed by installation of the vehicle signs.

Property Owners to Submit Grant Application

In August 2005, several property owners met to talk about a streetscape project in their area. This highly visible site, located in the median at the 8th Street and San Pedro Street intersection, is blighted with broken concrete, broken brickwork, and ground levels that have receded to expose tree roots and non-functioning irrigation equipment. Owners agreed that landscaping, new concrete and irrigation works will restore and revitalize this area while making it safe for pedestrians.

They agreed to submit an application for a Community Beautification Grant (CBG) in addition to donating personal resources as part of the matching fund requirement. To support their efforts to revitalize this area, The LA Fashion District Business Improvement District (BID) volunteered staff resources to assist them in the process.

The vision for the final project is to create a mosaic garden. Colorful mosaic of ceramic tiles will be designed by the students of the Inner City Arts School to recognize community donors and celebrate the young artists in our city.

Proposed Fourth Quarter Special Projects Activities

- Track progress of wayfinding signage installation.
- Assist property owners in submitting CBG application.

ATTACHMENTS

- 1 Third Quarter Financial Summary
- 2 Third Quarter Operations Activity Summary
- 3 2005 Summer Newsletter

LA Fashion District Business Improvement District

2005 Activity Reports

Fourth Quarter

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FINANCIALS

2006 Budget and Work Plan

Preparation for the 2006 Budget and Work Plan started during the third quarter with a staff evaluation of 2005 programs and expenses. During the quarter each Committee discussed and approved any service program changes and budgets. The draft budget and work plan were approved at the October 2005 Finance Committee meeting with final approval at the November Board of Directors meeting.

2006 Budget

The 2006 Budget was approved by the Board of Directors at the November 2005 meeting. Preparation and review started during the third quarter with a staff evaluation of 2005 programs and expenses. During the quarter each Committee discussed and approved any service program changes and budgets. A 5.9% overall increase for the 2006 budget was approved. The bulk of budget expenses continue to be spent on clean and safe programs. See Budget is enclosed as **Attachment 2**.

The following increases are proposed in the 2006 budget:

- (1) A 25 cent wage increase for clean team members,
- (2) A 33.1% increase in dump fees to cover the expected city cost increase
- (3) A 79% increase in auto expenses to cover increasing fuel costs and a 2005 budget shortfall
- (4) A graduated wage increase through 2006 for safe team members in order to stay competitive with other BIDs

2006 Work Plan

The Board of Directors unanimously approved the 2006 Work Plan at the meeting on November 10, 2005. The 2006 Budget and Work Plans were submitted to the Office of the City Clerk on November 11, 2005.

Appointment of the 2005 Auditor

The Finance Committee recommended retaining Stanislawski and Harrison to conduct the 2004 audit and financial statement based on positive performance over the last four years. The Board of Directors approved this recommendation at the November 10, 2005 meeting.

LAUSD Assessment Payment

On December 21st, the BID received notice from the LAUSD director of leasing and assessment management that the Superintendent has chosen to withhold payment of BID assessments on the belief that the School District is exempt. This was also the response of the General Counsel. We will continue to advocate for payment during 2006.

Assessment Overlay CPI Increase Request from the North Alley and South Santee Maple Alley (SSMA)

The Office of the City Clerk was asked for a written response to their denial of a 3% CPI increase for SSMA. Their letter noted that the overall district received a 2.41% increase with carryover funds, prior to the BID being renewed, used to offset the increase for all 1999-2003 BID priorities. The BID responded on November 28th by pointing out that none of the carryover funds could be used for the North or South Alley overlays as alley funds were fully expended during the 1999-2003 BID period. There is an argument that the overlay assessments should have been increased by 2.41% rather than the 1% increase that was approved by the City Attorney. The BID will track the progress of the subsequent request for a retroactive 1.41% increase for 2006 assessments when the 2007 BID assessment amounts are submitted to the County in June 2006.

Proposed 2006 First Quarter Finance Activities

- Prepare for 2005 audit.
- Continue to advocate for BID assessment payment from LAUSD.
- Track progress of CPI increase request for the North and South Alley assessment overlays.

PUBLIC SPACE MANAGEMENT ACTIVITIES

Annual Budget \$2,274,800 67% of the budget

PUBLIC SPACE SAFETY PROGRAMS

Public Space Safety Programs comprised of the Fashion District Patrol deal with crime prevention and inappropriate conduct in the district, 24 hours a day, seven days a week.

Fourth Quarter Contact Summary

The complete fourth quarter operations activity summary is enclosed as **Attachment 3**.

Change in Reporting Format

Starting April 2005, the format for reporting Safe Team contact data was revised. This change represents the first time since the inception of the BID in 1996, that any revisions have been implemented to the way data is presented. The format revision was initiated based on several indicators: (1) changes in the types of nuisance behavior in the district; (2) to present a clearer picture of the types of crime in the district, and to (3) more closely replicate the reporting format of the LAPD.

Although this is a positive improvement in reporting data, our ability to present comparisons is compromised until at least one year of data is available. Until April 2006, one year from the start of the conversion, the BID will provide quarter to quarter comparisons. Monthly data is on file in the permanent record for review.

BID Participates in Search Selection for New SLO

In November LAPD SLO Alisha Jordan was promoted to Detective and reassigned to the 77th Street Community Station. SLO Jordan made a significant positive impact on preventing street crime and illegal vending in the Fashion District during her work in the area and she will be missed. Captain Andy Smith, LAPD Central Division, invited the BID to work with LAPD in the search for a new Senior Lead Officer.

Holiday Foot Beat

LAPD is using 43 recently graduated police officers to establish foot beats throughout downtown Los Angeles from November until the end of 2005. These officers will also target the skid row area to deter drug activity.

Illegal Merchandise Vending

LAPD and County Health continue to make illegal vending enforcement a priority. DVD and CD vendors are a particular target and on Saturday, October 1, 2005, two of our Safe Team members were assaulted at San Pedro and 12th Streets by illegal vendors. While both required medical attention, they returned to work the same day. We are

working with LAPD Newton Division to identify the suspects. On the same day LAPD officers were assaulted by DVD vendors at Olvera Street.

LAPD and the BID confiscated over 37,000 DVDs by November 1, 2005 with a street value of over \$600,000. All of the above pirated items were inventoried and later released to Investigative Consultants.

Working with the LAPD the BID also disposed of 157 illegal food carts and rescued 230 animals that were being sold in "illegal pet sales" during the fourth quarter.

Illegal Food Vending

Illegal food vending continues to receive attention from County Health, LAPD, and the BID. During one vending enforcement action, four additional Cushman carts were towed and all goods were impounded by the Health Department and disposed of by the BID. The LA Fashion District has again agreed to pay for the overtime costs of County Health inspectors so that they can work every weekend in November and December to enforce food vending regulations in the district.

Surveillance Cameras

An arrest in progress was captured on a surveillance camera positioned near Maple and 12th. LAPD provided the BID a DVD copy of the arrest to illustrate the outstanding capabilities of the cameras in clarity and usefulness in crime prevention

Proposed 2006 First Quarter Public Safety Activities

- Continue to address illegal vending activities with the assistance of Council District 9 and City Service Departments.
- Continue to act as liaison to direct homeless populations to service organizations.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti Removal

2005 fourth quarter graffiti removal records show a 3% decrease over 2004 fourth quarter records.

<u>Graffiti Removal Comparison</u>	<u>2004</u>	<u>2005</u>
October	414	450
November	459	342
December	464	454
Totals	1337	1296

Trash Tonnage

Fourth Quarter trash tonnage collection records show a 19% increase over 2004 fourth quarter records.

<u>Trash Tonnage Comparison</u>	<u>2004</u>	<u>2005</u>
October	229	265
November	231	301
December	243	275
Totals	703	841

Sidewalk Cleaning

Total automated sidewalk cleaning activity increased 14% over 2004 fourth quarter performance.

Automated Sidewalk Washing Comparison	2004	2005
Fourth Quarter Total	7,664,869	7,398,142
Automated Sidewalk Sweeping Comparison	2004	2005
Fourth Quarter Total	4,201,040	6,110,251
Total	<u>11,865,909</u>	<u>13,508,393</u>

Contract Renewal Approved

At the December 1, 2005 meeting, the Board of Directors unanimously approved renewal of the maintenance contract through the end of the current BID on December 31, 2008.

Dump Site Closes

On November 14, 2005 the BID received a flyer from James Kurz (Superintendent) of the Transfer Station stating that the dump site will be closed on Saturdays starting November 19th as it is not profitable to stay open. This decision has significant consequences for the BID as we don't have the room to place an additional 2 roll-away dumpsters into our employee parking lot. The only alternative is to drive the trash to Vernon - which adds time and costs. Thankfully after calling the Mayor's office, the City agreed to place two roll offs inside the site which we can access until 2:00 pm on Saturdays.

Trash Liner Distribution Suspended

During October 2005, Operation Clean Sweep suspended delivery of trash liners to the LA Fashion District BID. The BID receives a monthly allotment of 27,000 liners. The liners are used daily to collect and remove the tons of trash from the City's 400 Adopt-A-Baskets. Also since June 2005 we have assisted LAPD over 250 times for maintenance related requests, disposing of illegal food perishables, and other materials.

The BID protested suspension of the liners to the Board of Public Works on the basis that we spend 70% of property owner assessments to maintain the streets of Los Angeles with the understanding that the City's baseline services will not be reduced. Maintenance costs to the BID have skyrocketed because of rising trash truck fuel costs, and an 84% increase in dump fees since the City purchased the transfer site. Without help from the City to defray the BID's escalating maintenance costs, many owners will most likely not vote to renew the BID in 2008. In response to our request The Board of Public Works issued the BID a three-week supply. We will continue to work to regain our regular supply numbers from the city.

On November 30th we received 380 cases that will help cover trash collection for November and December, our busiest months.

Property Owners and Merchants to Receive Reminder

Although every property owner must, by law, provide a regular collection service for their buildings, the BID is acutely aware of general non-compliance. Illegal dumping is rampant throughout the district especially during holiday sales time. The LA Fashion District and Toy District BIDs are currently working with the LAPD and the Neighborhood Prosecutor to launch an education program to increase compliance.

Preparing for Flooding Storm Drains and Potholes

Trash thrown into the streets by merchants every day unfortunately collects in the storm drains and causes flooding with nearly every rainfall. Also, storm drains that were constructed over 70 years ago are no longer sufficient to carry runoff to major culverts. In preparation for this winter's rainfall, the BID is stocking up on sandbags to help control flooding and cold patch asphalt to repair potholes.

Wayfinding Signage Maintenance

With installation completed in November, downtown BIDs will work to ensure that the new pedestrian, vehicle and map signs are kept spotless. Although the fiberglass maps are very durable, periodic cleaning is recommended. We're going "green" to keep the signs clean by using environmentally safe products.

Proposed 2006 First Quarter Public Maintenance Activities

- Monitor request to the City for reinstatement of trash can liner allotment.
- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY

Annual Budget	\$670,600	20% of Budget
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GOVERNANCE

Election of Members to the 2006 Board of Directors

On December 31, 2005 the terms of six of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors will end. As in the previous two years, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate. Invitation letters and instructions for the nomination procedure were mailed to all property owners on August 25, 2005 inviting them to declare their interest in becoming a candidate. Nominations closed on September 21st and six candidates sought election for the six available seats. Voting ballots were mailed to all property owners on October 24 and the campaign ended on November 29th. The election results were publicly announced at the Board of Directors on December 1, 2005. The number of votes received determined the length of each new Member's term:

3 Year Terms

- Laura Aflalo
- Mark Chatoff
- John Kim
- Alexander Moradi
- John van den Akker

1 Year Term

- Sina Kangavari

This is the third direct election of Board Members by property owners. This direct election procedure is unique among BIDs as many BID Boards appoint new members.

At the November 10, 2005 Board of Directors meeting Members discussed future elections. More outreach was recommended to avoid falling below the required number of candidates in the future. They also discussed the cost of conducting the open elections. The first election in 2003 cost approximately \$9,000 to cover legal, auditor, and consultant fees, printing and postage. The 2004 and 2005 elections cost approximately \$5,000 each to cover auditor and consultant fees, printing and postage. Legal fees were not necessary in the past two election campaigns.

Members agreed that there are other less expensive ways to conduct elections however the current process offers credibility and transparency to the selection of Board Members.

ADVOCACY

11th & Maple Storm Drain Repair Project Update

We were pleased to learn that the design phase is nearly completed for the storm drain repair project for 11th Street and Maple Avenue. The projected completion date is early 2007. Although the project was scheduled to be completed in 2004 it has been delayed until now due to a lack of funding and staff at the Bureau of Street Services. This delay has been especially problematic for many reasons including continued storefront flooding in the area. Delayed scheduling has also posed a conflict with starting the \$1.6 million MTA Santee Alley Streetscape project. If the storm drain project is not completed before 2009, the streetscape funding we stand to lose the \$1.6 million. The progress of both projects will be carefully monitored.

Automated Public Toilet Installation Site Update

Property owners and BID staff toured several blocks of the district to help site a location for installation of an Automated Public Toilet (APT). This meeting was convened after owners in the area of 9th and Main protested installation of an APT in this area that is already well serviced. The BID volunteered to assist the Bureau of Street Services and Viacom Decaux in identifying an alternative location. The area from Olympic Blvd. between Santee and Wall was selected based on high volumes of pedestrian traffic and numerous requests from visitors and merchants.

Project Directors from Bureau of Street Services and Viacom Decaux joined property owners for the tour on November 22nd to discuss the pros and cons of eight different sites. The DWP transfer station on Santee Street between Olympic and 11th Street topped the list of preferred locations. Representatives from DWP have indicated they will support the installation provided that their access to the transfer station will not be compromised. This site will also require an extension of the sidewalk surface into the street in order to create a 20 foot surface that will accommodate the APT. This modification of the public right of way will require Council District 9 approval. The BID will track progress of this request.

Portable Toilets Removed from LA Fashion District

We were delighted that after expressing significant concerns about the use of portable toilets on the north side of 7th Street for drug dealing, an article by Steve Lopez in the LA Times convinced LAPD Captain Smith, with the blessing of Councilmember Perry to remove the toilets from the district.

The removal of the toilets will improve the quality of life for everyone in the neighborhood. Monitored 24/7 restroom facilities for the homeless are located at the Drop-In Center, at 5th and San Julian (an automatic public toilet) and at the newly opened Midnight Mission at San Pedro and 6th Streets.

Solutions Sought to Address Problem Activity at the Huntington Hotel

During October, the LA Fashion District worked with the Neighborhood Prosecutor and the LAPD to document the impact the Huntington Hotel is having on surrounding businesses and residents in the area of 8th and Main. This hotel continues to be a magnet for drug activity, prostitution, and felonious crimes including murder. Unfortunately families with children are also living in this unsuitable environment.

On October 5, 2005, BID Executive Director Kent Smith, met with Anita Nelson of the SRO Housing to suggest that they investigate purchasing the hotel for conversion to non-profit housing. Subsequent to that meeting, City Council approved in principle a moratorium on the conversion of residential hotels like the Huntington to anything other than affordable non-profit housing. The details of the moratorium are still being drafted by the City Attorney's office. However, we believe that conversion to non-profit housing is the best solution for the Huntington Hotel.

Request to Mayor Villaraigosa for Storm Drain Repairs in the BID

On October 26, 2005 the BID requested a meeting with appropriate staff members from the Office of the Mayor to discuss storm drain flooding in the LA Fashion District. **See Attachment 4.** There has been no response to date. The BID will continue to track this request while working to control flooding with sand bags, street cleaning, and merchant education outreach.

LAANE Public Records Request

On November 16, 2005 the BID received a public records request from the Los Angeles Alliance for a New Economy (LAANE) for a copy of our security and maintenance contracts. All other BIDs in Los Angeles received the same request. The LA Fashion District BID complied with the request to the fullest extent of the law.

Downtown DASH Study

Mr. Aker and Mr. Michaels, representatives from LA Department of Transportation, attended the December Board of Directors meeting to explain that the purpose of the study is to determine how the current DASH service can be restructured to meet the needs of the “new” downtown. DASH service started in 1971 and a major restructuring was undertaken in 1996. DASH has become a critical link between major transportation hubs for employees, visitors, and now residents. The current study is seeking input from stakeholders to consider possible new areas to add to the current service routes, and what can be done to improve current service. LADOT is relying on BIDs as a front line for input on new origins and destinations in downtown.

Board members agreed that DASH buses should continue servicing the popular “D” and “E” routes through the Fashion District. Also, the east part of the district is growing rapidly and should be considered in future planning.

Red Car Feasibility Study Update

IBI Group, consultants on the study, presented their findings on December 6 to the Advisory Group. This feasibility study was initiated in June and funded by U.S. Congresswoman Lucille Roybal-Allard. The study emphasized public participation in the planning process. From multiple outreach meetings, a set of goals and objectives were created in order to help shape a vision to be used by the downtown community in determining the ultimate role and function for a resurrected streetcar. The goals and objectives identified included:

- Develop a system to support both visitors and residents
- Develop a cost-effective system
- Support local plans
- Allow for service integration
- Involve local citizens and policy-makers
- Recognize the historical value of past red and yellow car systems

Another outcome from the outreach process was overall direction for this project:

Plan for the downtown of the future

- Make it affordable and easily built
- Make it simple
- Make sure it connects to other downtown transportation modes
- Make it attractive

Five alignment concepts were presented that could address the Core Service Area destinations of (1) USC/Exposition Park, (2) Fashion District, (3) Little Tokyo/Arts District, (4) Chinatown/El Pueblo, (5) Convention Center/Hotels/Financial District. Concept 1 is resident focused, Concept 2 is a loop service to connect old and new downtowns, Concept 3 is tourist focused, Concept 4 would directly connect the Gold Line thru downtown destinations, and Concept 5 would extend northward to Chinatown.

Estimated costs ranged from \$59 million for Concept 1 to \$73 million for Concept 5. Operating costs are estimated at \$4 million to \$5 million per year. Funding models were also a detailed aspect of the study. Research into funding models developed by other cities, including Portland, San Francisco, and local San Pedro, were conducted. The

common theme between them appears to be a large percentage of local money, either from the regional transportation agency, the City, business improvement districts, or private donations.

In Phase 2 of the study alignment plans will be refined with input from MTA, LADOT, and DASH. Funding plan development, environmental review, design and construction will also be addressed in Phase 2.

Urban Land Institute Annual Conference

Los Angeles hosted The Urban Land Institute's annual conference this year and the LA Fashion District hosted a tour of the district on Friday, November 4, 2005 for delegates interested in learning more about the revitalization of the LA Fashion District.

Proposed 2006 First Quarter Administration Activities

- Continue to work with BSS and Viacom to identify location for an APT installation.
- Track progress of the 12th & Maple Storm Drain Repair
- Track progress of request for additional storm drain repairs.
- Continue to support conversion of the Huntington Hotel to non-profit housing.

IMAGE – COMMUNICATIONS & SPECIAL PROJECTS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Fourth Quarter Activities

New Website

The brand new LA Fashion District website, www.fashiondistrict.org went live in October. The new and improved site features advanced search options, events listings, resources and much more. BID meetings and agendas are also listed on the site. As of December the new website is already recording nearly 2 million hits per month.

Fall Newsletter

This issue focused on the new website, the BID's partnership with the LAPD, and new businesses in the neighborhood. The latest edition of Fashion Files was distributed to all property owners, ground floor tenants and residents. **See Attachment 5.**

New York Times Visits LA Fashion District

On October 25, 2005 the BID hosted New York Times Real Estate reporter, Terry Pristin through a tour of the Fashion District. "Down and in - in Los Angeles" appeared in the Wednesday, November 9, 2005 edition. The story featured the recent boom in showrooms, retail outlets and rents. A copy of the article was distributed as an insert in the fall newsletter. **See Attachment 6.**

Market Week/LA Fashion Awards

The year's biggest fashion market, Spring '06, ran from October 21 – 25, with buyers from all over the world shopping the LA Fashion District's showrooms. Showroom buildings of The Intersection reported the highest buyer attendance on record. Market week was kicked off with the first ever LA Fashion Awards held in the Orpheum Theater, honoring the top design talent in Los Angeles and those in the industry elevating Los Angeles' place in the global marketplace. Major players in the industry came out to honor the nominees and winners. The LA Fashion District was a sponsor for this event, which has received press coverage in the LA Times, LA Business Journal, Angelino Magazine, WWD, California Apparel News and LA.COM.

2005 Holiday Advertising Campaign

As part of the annual I&C holiday campaign, the District hosted ten teenagers from the Para Los Niños Youth Center based in downtown, for a guided shopping spree. The tour was led by Urban Shopping Adventures.

Holiday retail print advertising started November 17th and ran through December 22nd. Downtown News, LA Weekly and La Opinion also ran ads that focused on bargain shopping in the LA Fashion District. Radio advertising on KCRW, in the format of underwriting sponsorships, was launched on October 17th and ran for a seven week period at various times of the day and night. PULSE – a Spanish language traffic and weather radio station was selected again this year for 24 spots in two weeks starting in late November.

America's Next Top Model

The LA Fashion District's banners are again on this season of America's Next Top Model on UPN, reaching millions of homes across the country each week. The latest episode also featured the New Mart Building in the LA Fashion District.

South Group Opening Highlights District

On October 27, 2005 the South Group held a celebration for the topping off of new condo project, Elleven, located in the South Park District. At the event, different areas of downtown were highlighted with special displays, including the Fashion District and Flower Markets.

Urban Shopping Adventures in Press and on TV

Urban Shopping Adventures (USA) was featured in the October 31, 2005 edition of the Los Angeles Business Journal. On November 3, 2005 USA was featured on the Arizona morning talk show, Sonoran Valley Living, to promote their shopping tours of the Fashion District and holiday gift items that can be purchased in the District.

Economic Development Study

The Los Angeles Economic Development Corporation (LAEDC) and Economic Research Associates (ERA) continue research and development of the Fashion District economic impact study.

A survey tool for conducting a new ground floor business inventory was prepared in December. We expect to begin the survey in early January 2006.

Media Impression, Leveraged Advertising, Website Hit Comparisons

2005 Fourth Quarter Summary and Comparison

Fourth Quarter 2005 Media Impressions increased 26% over 2004. The new website was viewed by over 76,000 new visitors, a 24,000 increase from 2004.

Media Impressions

2004	87,408,000	2005	110,106,000
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Website Hits

2004	5,055,000	2005	3,953,000 **
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*** Total number of website hits is not available for October 2005.*

Unique Visitors to Website

2004	52,000	2005	76,000
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Proposed 2006 First Quarter Image & Communications Activities

- Publish Winter Newsletter
- Prepare for 2006 Annual Property Owner Meeting
- Conduct ground floor business survey

SPECIAL PROJECTS

Special Project programs focus on specific issues important to the district such as: day laborers, public restrooms, surveillance cameras, parking improvement, uniform signage streetscape improvements and in the fourth and fifth years of the District BID renewal expense.

Wayfinding Signage Installation Completed

Pedestrian, vehicle and map signage installation was completed in November 2005 in the LA Fashion District and throughout downtown. The map guide signs are enlargements of the official BID map, showing visitors where they are and where various products are located in the District, along with the DASH bus stops.

Application Submitted for a Neighborhood Beautification Grant

Several Fashion District property owners contacted BID staff for assistance with initiating a streetscape project at the intersection of 8th Street and San Pedro Street. This highly visible site, located in the median, is blighted with broken concrete, broken brickwork, and ground levels that have receded to expose tree roots and non-functioning irrigation equipment. Their vision is to create a pocket park at the "island" median that celebrates the Flower District with landscapes, a mosaic garden, and signage.

To launch the project, BID staff assisted the owners in the planning phase and application for a \$10,000 City Community Improvement Grant. This is a matching fund grant that the owners have agreed to support with their own funds. Grant awards will be announced in January 2006. To continue the momentum of the project, in December the owners met with the Program Director and Ceramics teachers of the Inner City Arts School to explore how they could partner to create colorful tiles for the garden designed by the students.

Proposed Streetscape Improvements at 9th and Main Street

Spring and Main from 1st Street through 9th Street will be getting a \$2 million make over in 2006. The funding will come from the Metropolitan Transit Authority as a benefit of removing the northbound contra-flow bus lane on the east side of Spring Street.

A \$350,000 median streetscape project is planned for the intersection in front of Angelique's Café in the LA Fashion District. The project is on a fast track to be completed by June 2006. The BID was asked to participate in the planning and to maintain the streetscape improvement once it is completed. Several designs are being prepared by landscape architects for review by LADOT. This is an exciting project that will not only enhance the area but also serve to improve pedestrian safety and slow traffic flow in this overly large intersection. Once the designs are completed neighboring BID property owners will be contacted for input to decide if lighting and/or a public art installation is appropriate for the site. Remaining funds will be used to improve street lighting.

Proposed 2006 First Quarter Special Projects Activities

- Track progress of 9th & Main streetscape project.
- Continue support of the 8th and San Pedro streetscape project.

ATTACHMENTS

- 1 Fourth Quarter Financial Summary
- 2 2006 Budget & Work Plan
- 3 Fourth Quarter Contact Summary
- 4 Letter to Mayor Requesting Storm Drain Repairs
- 5 Fall Newsletter
- 6 New York Times Article